



Federal Communications Commission
Washington, D.C. 20554

April 28, 2017

Mr. Shawn Hanson
Chief Executive Officer
Panhandle Telephone Cooperative, Inc.
603 South Main Street
Guymon, OK 73942

DA 17-403

**Re: December 8, 2016 Panhandle Telephone Cooperative, Inc. Petition
for Extraordinary Retirement of Its Fixed Wireless Local Loop Network
WC Docket No. 17-45**

Dear Mr. Hanson:

On December 8, 2016, Panhandle Telephone Cooperative, Inc. (Panhandle Telephone) requested approval to record journal entries to credit account 3212, Accumulated Depreciation, and a corresponding entry to debit account 1438, Deferred Maintenance and Retirements.¹ You explained that this request would complete an extraordinary retirement of the company's investment in its fixed wireless local loop network to deploy both voice and broadband services to customers in remote areas of its study area utilizing LTE technology.² In support of this request, you noted that Panhandle Telephone was required to find alternate switching and routing capabilities to serve its remote customers due to the cessation of operations by your network supplier.³ You also requested that the extraordinary retirement be amortized over five years, beginning with calendar year 2017 and ending in calendar year 2021.⁴

Pursuant to section 32.1438 of the Commission's rules, a company may include charges in account 1438 "only upon direction or approval from this Commission," for "*unprovided-for* loss in service value of telecommunications plant for *extraordinary nonrecurring retirement not considered in depreciation* and the cost of extensive replacements of plant normally chargeable to the current period Plant Specific Operations Expense accounts."⁵ Further, the company's application for such approval must give the Commission "full particulars concerning the property retired, the extensive replacements, the amount chargeable to operating expenses, and the period over which in its judgment the amount of such charges should be distributed."⁶

Applications for authorization to include charges in account 1438 must necessarily be considered on a case-by-case basis. We find the showing contained in Panhandle Telephone's December 8, 2016 Request satisfies the requirements set forth in the Commission's rules to include the Retired Plant in account

¹ Letter from Shawn Hanson, Chief Executive Officer, Panhandle Telephone Cooperative, Inc., to Matthew DelNero, Chief, Wireline Competition Bureau, dated December 8, 2016 ("December 8, 2016 Request").

² *Id.* at 1.

³ *Id.* at 2-3.

⁴ *Id.* at 1.

⁵ 47 CFR § 32.1438(a)(1)(emphasis added).

⁶ *Id.*

1438.⁷ Accordingly, pursuant to the authority delegated in the Commission's rules,⁸ Panhandle Telephone is authorized to charge account 1438 for the net book value of the Retired Plant, amortized ratably, over a five-year period beginning January 1, 2017 and ending December 31, 2021.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Arluk', is positioned above the typed name.

Pamela Arluk
Chief
Pricing Policy Division
Wireline Competition Bureau

⁷ *Id.*

⁸ 47 C.F.R. §§ 0.91, 0.204, 0.291.